Labour Market Bulletin

British Columbia

May 2018

This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of British Columbia (BC), including the regions of Northern BC, Vancouver Island and Coast, Lower Mainland, Thompson–Okanagan and the Kootenays.

OVERVIEW

Employment in BC dropped to 2.47 million in May (-12,400) while full-time employment losses (-16,000) outpaced part-time employment gains (+3,600). On an annual basis, employment in BC remained relatively unchanged (+0.1%). According to the Conference Board of Canada, employment growth in BC is expected to slow down to 1.0% in 2018 and 2019 following robust employment growth of 3.7% in 2017. Indeed, slower employment gains are expected nationally due to tighter labour markets and increased retirements among the baby boomers.[1]

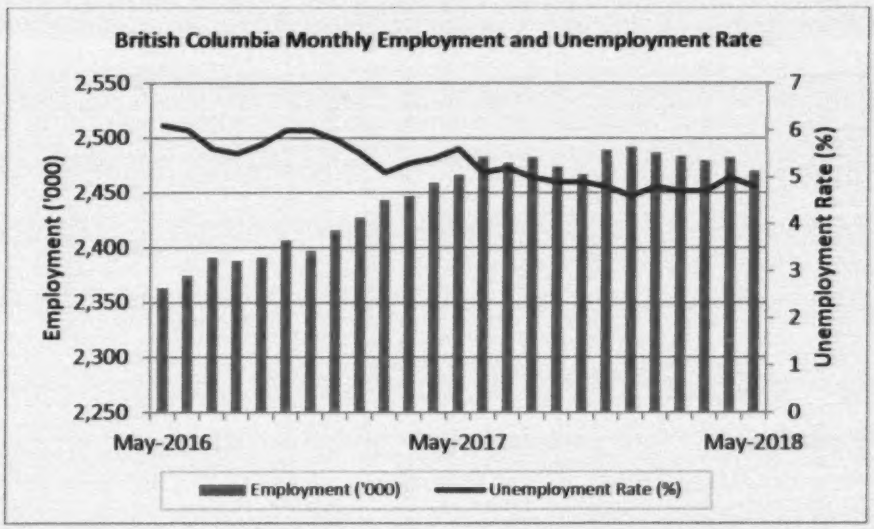
British Columbia Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2018	April 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	4,023.6	4,018.4	3,973.9	5.2	0.1	49.7	1.3
Labour Force ('000)	2,594.4	2,613.6	2,612.0	-19.2	-0.7	-17.6	-0.7
Employment ('000)	2,470.0	2,482.4	2,466.5	-12.4	-0.5	3.5	0.1
Full-Time ('000)	1,948.3	1,964.3	1,934.0	-16.0	-0.8	14.3	0.7
Part-Time ('000)	521.7	518.1	532.5	3.6	0.7	-10.8	-2.0
Unemployment ('000)	124.4	131.3	145.4	-6.9	-5.3	-21.0	-14.4
Unemployment Rate (%)	4.8	5.0	5.6	-0.2	-	-0.8	-
Participation Rate (%)	64.5	65.0	65.7	-0.5	-	-1.2	-
Employment Rate (%)	61.4	61.8	62.1	-0.4	-	-0.7	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

Although there were employment gains in BC's private sector during May (+3,400), the number of public sector employees and self-employed British Columbians decreased by 1,500 and 14,300 respectively. On an annual basis, BC's employment gains were primarily in public sector employment (+10,200) while the private sector shed 6,900 positions and the number of self-employed people remained relatively unchanged (+100).[2]



British Columbia Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2018 (%)	April 2018 (%)	May 2017 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	4.8	5.0	5.6	-0.2	-0.8
25 years and over	4.3	4.4	4.9	-0.1	-0.6
Men - 25 years and over	4.7	4.5	5.6	0.2	-0.9
Women - 25 years and over	3.9	4.3	4.1	-0.4	-0.2
15 to 24 years	7.6	8.7	9.5	-1.1	-1.9
Men - 15 to 24 years	7.8	10.0	11.4	-2.2	-3.6
Women - 15 to 24 years	7.4	7.4	7.4	0.0	0.0

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287, formerly CANSIM 282-0087

BC's unemployment rate has remained the lowest of any province in Canada since September 2017. In May 2018, the provincial unemployment rate edged down to 4.8%, one full percentage point below the national average.

The province's youth unemployment rate decreased to 7.6% in May due to a 2.2 percentage point drop in the unemployment rate for men aged 15 to 24 years. On an annual basis, the unemployment rate for young men declined an even greater 3.6 percentage points. In fact, the unemployment rate for young men in BC has not been this low since August 2016. Conversely, the unemployment rate for women aged 15 to 24 remained unchanged on a monthly and annual basis at 7.4%.

EMPLOYMENT BY INDUSTRY

The goods-producing sector was responsible for the majority of employment losses in BC for May, 2018 (-8,000). Over two-thirds of these monthly employment losses were in the construction industry (-5,400). Meanwhile, the services-producing sector also shed positions on a monthly basis (-4,300). In the services-producing sector, monthly employment losses were mitigated by substantial employment gains in the accommodation and food services industry as the tourism season begins in BC (+8,000). In fact, over 45% of Canada's employment gains in accommodation and food services for May, 2018 occurred in BC.

On an annual basis, employment in BC's goods-producing sector is up 2.1% (+10,400) buoyed by annual employment gains in the construction industry (+9,200). Construction on the Trans Mountain pipeline expansion is now expected to proceed in time for the 2018 construction season as the Government of Canada recently announced it will purchase the existing Trans Mountain pipeline, and infrastructure related to the Trans Mountain Expansion Project for $4.5 billion. The federal government deems this a crucial infrastructure project which will enable transport of Canadian oil resources to world markets and support Canadian employment including over 9,000 jobs in BC.[3]

The provincial government has voiced concerns over the increased tanker traffic the pipeline expansion would create and the damage a diluted bitumen spill would cause to BC's economy and environment.[4] While the Government of BC remains opposed to the $7.5 billion pipeline expansion, the project will now proceed under the ownership of a Crown corporation.[5]

Within the goods-producing sector, BC's manufacturing industry has also been a significant contributor to annual employment gains in the province (+5,600). BC's aluminum manufacturing industry may be affected by recent protectionist measures enacted by the United States Department of Commerce (USDC). Effective June 1st, 2018, the USDC imposed tariffs of 25% on Canadian imported steel and 10% on Canadian imported aluminum. These new tariffs are expected to impact the primary metals manufacturing industry in Canada. While BC is not a significant steel producer, it does produce aluminum; in 2017, BC was responsible for less than 1% of Canada's steel industry exports to the US and 12% of Canada's aluminum industry exports to the US.[6] In fact, BC exported $1 billion worth of aluminum in 2017 and almost half of this was exported to the US.[7] [8]

Rio Tinto Alcan in Kitimat is BC's only aluminum smelter and one of the largest manufacturing complexes in the province. Approximately 1,000 people are employed at the Kitimat smelter which is an important economic driver for the region.[9] A $4.8 billion modernization project was completed on the smelter in 2016 which has allowed the company to produce twice as much aluminum with one-third of the electricity and half of the emissions produced by their previous plant — making Kitimat one of the world's lowest cost smelters.[10] Despite these cost-efficiencies, US import duties will affect a large portion of aluminum manufacturing sales since 75% of all aluminum produced in Canada, including Kitimat, is exported to the US.[11]

Turning to the services-producing sector, overall employment in these industries is down 0.3% year over year (-6,900). Annual employment losses were primarily in the finance, insurance, real estate and leasing industry (-13,200) and business, building and other support services industry (-12,400). Despite these losses, there were

strong annual employment gains in health care and social assistance (+18,600) and professional, scientific and technical services (+11,000).

Continued employment growth in BC's health care and social assistance industry is expected as the provincial government plans to open ten urgent primary-care centres in BC within the next 12 months. The Government of BC will also be recruiting 200 family doctors and 200 nurse practitioners, and hire 50 clinical pharmacists as part of the Province's new primary health-care strategy.[12]

The Province is also funding programs to support future employment growth in the professional, scientific and technical services industry. The Government of BC recently announced it is granting $102.6 million in funding towards 75 post-secondary research projects in the province through the BC Knowledge Development Fund. The fund aims to support the development of BC's expertise and innovation in fields such as advanced supercomputing and clean technology. In addition, the provincial government introduced a $12 million fund for graduate degree scholarships in science, tech, engineering and mathematics programs. These spending strategies are aimed at developing future tech talent as the Province anticipates over 83,400 tech-related job openings in BC by 2027.[13]

British Columbia Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	May 2018	April 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	2,470.0	2,482.4	2,466.5	-12.4	-0.5	3.5	0.1
Goods-producing sector	499.4	507.4	489.0	-8.0	-1.6	10.4	2.1
Agriculture	24.0	24.8	27.2	-0.8	-3.2	-3.2	-11.8
Forestry, fishing, mining, quarrying, oil and gas	48.8	49.5	51.4	-0.7	-1.4	-2.6	-5.1
Utilities	13.5	13.9	12.1	-0.4	-2.9	1.4	11.6
Construction	235.4	240.8	226.2	-5.4	-2.2	9.2	4.1
Manufacturing	177.7	178.4	172.1	-0.7	-0.4	5.6	3.3
Services-producing sector	1,970.7	1,975.0	1,977.6	-4.3	-0.2	-6.9	-0.3
Trade	367.5	368.0	367.5	-0.5	-0.1	0.0	0.0
Transportation and warehousing	135.5	135.0	140.9	0.5	0.4	-5.4	-3.8
Finance, insurance, real estate and leasing	147.1	147.9	160.3	-0.8	-0.5	-13.2	-8.2
Professional, scientific and technical services	202.7	207.1	191.7	-4.4	-2.1	11.0	5.7
Business, building and other support services	95.6	99.5	108.0	-3.9	-3.9	-12.4	-11.5
Educational services	169.0	167.0	164.4	2.0	1.2	4.6	2.8
Health care and social assistance	324.6	328.4	306.0	-3.8	-1.2	18.6	6.1
Information, culture and recreation	125.2	121.9	139.5	3.3	2.7	-14.3	-10.3
Accommodation and food services	188.6	180.6	181.7	8.0	4.4	6.9	3.8
Other services	114.3	118.0	115.7	-3.7	-3.1	-1.4	-1.2
Public administration	100.6	101.6	102.0	-1.0	-1.0	-1.4	-1.4

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355, formerly CANSIM 282-0088

REGIONAL ANALYSIS

Over the past year, employment increased in four of BC's seven economic regions. Annual employment gains in the Lower Mainland-Southwest economic region were the highest among all regions in BC (+8,400) while the unemployment rate for this region remained the lowest in the province (4.4%).

Employment in the Lower Mainland-Southwest's accommodation and food services industry was up substantially in May (+5,600), as the tourism season begins to ramp-up. BC's tourism industry is expanding, with 5.7 million international visitors arriving in the province in 2017, a 3.3% increase compared to 2016.[14] The total number of visitors in Vancouver alone was over 10.3 million in 2017, setting a new record for the city.[15]

The Vancouver Island and Coast economic region led the province in annual job growth on a percentage basis (4.1%). In May 2018, there were approximately 9,500 more people employed in this region compared to April 2018. These employment gains were primarily in the services-producing sector with over 3,000 additional jobs in wholesale and retail trade, almost 2,500 positions in the professional, scientific and technical services industry and over 1,000 more people working in accommodation and food services.

Tourism is also a significant economic driver in the Vancouver Island and Coast economic region. In Victoria, the region's biggest centre, the Greater Victoria Harbour Authority is expected to welcome 245 cruise ships at the Ogden Point port facility during the 2018 cruise season. These ships will bring approximately 600,000 visitors to Victoria.[16]

Within the more sparsely populated regions of BC located in the north, the Cariboo economic region had 3.8% annual job growth and a 1.9 percentage point decline in the region's unemployment rate year over year — falling to 5.6% in May 2018.

New employment opportunities may be coming to the Cariboo region as the BC Cattleman's Association is leading a plan to develop a beef packing plant in the region. The Government of B.C. recently announced it is spending $450,000 towards the next phase of development for the proposed federally inspected beef-packing plant destined for Prince George. The funding will be used to create an industry-led co-operative business model and to determine what role B.C. ranchers could have in the new plant's ownership and operation. Should the proposed plan be successful, construction is estimated to begin in 2019-2020. Once fully operational, the plant would create approximately 80 full-time jobs and 620 spin-off jobs in and around the Cariboo region.[17,18]

British Columbia Monthly Labour Force Statistics by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2018 ('000)	May 2017 ('000)	Yearly Variation (%)	May 2018 (%)	May 2017 (%)	Yearly Variation (% points)
British Columbia	2,468.0	2,451.2	0.7	4.9	5.5	-0.6
Economic Regions						
Vancouver Island and Coast	399.9	384.1	4.1	4.9	4.8	0.1
Lower Mainland - Southwest	1,584.0	1,575.6	0.5	4.4	5.2	-0.8
Thompson - Okanagan	250.2	258.1	-3.1	6.8	6.5	0.3
Kootenay	68.6	72.3	-5.1	5.1	7.7	-2.6
Cariboo	84.1	81.0	3.8	5.6	7.5	-1.9
North Coast and Nechako	42.6	41.5	2.7	8.8	6.5	2.3
Northeast	38.5	38.6	-0.3	7.9	7.0	0.9

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293, formerly CANSIM 282-0122

***Note:** In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

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***For information on the Labour Force Survey**, please visit the Statistics Canada Web site at: www.statcan.gc.ca*

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